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Soviet Five-Year Plan
Mexican Cotton Exports

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This week's cover:

A grain-handling scene in the Altai Territory of the Soviet Union. Increased grain production is one of the prime objectives of the Soviet agricultural program for 1971-75.

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By PAIGE I. BRYAN and
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The Soviet Union plans to increase its grain production in 1971-75 in an effort to step up livestock output, according to L. I. Brezhnev, General Secretary of the Communist Party. The greater importance attached by the Soviet Union to stimulating livestock output was made apparent in the Soviet agricultural program for 1971-75 announced by Brezhnev in July. The preceding plan stressed grain production just to feed the population.

The new plan's livestock production and marketing goals, if achieved, could sharply increase the amount of livestock products available to Soviet consumers. In general, though, the new plan is modest in its goals and reflects the hope for over-plan achievements.

The new agricultural program follows the guidelines of the largely successful 1966-70 program. It calls for continuing large increases in agricultural inputs, expands the policy of paying bonus prices for above-plan marketings of agricultural commodities, and promises Russian consumers continuing improvement in satisfying their demands for these commodities. The program cites no targets for expected changes in rural incomes and incorporates fewer price increases than the 1966-70 plan. As was true 5 years ago, announcement of the latest 5-year plan (FYP) for agriculture was made by Brezhnev and preceded release of the general economic development plan, thus lending importance and urgency to agriculture's role.

Although growth has occurred in agriculture since 1965, the objectives of the original 5-year plan (1966-70) probably still cannot be met. Bad weather in 1967 and 1969 curtailed growth in grain yields, and livestock production slumped in 1969. Annual plans for Government investment and inputs in



Cows move from pasture toward barn for their evening milking on the lands of the Kholmogory State Farm near Moscow.

Soviet 5-Year Plan Stresses Livestock and Grain Output

agriculture have been revised downward several times during the course of the 5-year plan ending in 1970.

The new 5-year plan tackles old problems that persist despite the progress made in agriculture since 1965. Weather still has an inordinate effect upon crop-yield stability. As a result, grain production fluctuates sharply, frequently by 20 million to 30 million metric tons, and sometimes more. Mechanization is inadequate for timely harvesting of crops and is particularly poor on livestock farms. Price incentives have improved, but still remain inadequate to encourage livestock production. Investment programs and increased availability of inputs have lessened these weaknesses, but achievements have lagged below expectations.

Strong investment growth planned

In the new plan, Brezhnev announced an increase of 70 percent in State investments in agriculture. During its 5-year duration, Government investments will be \$86.1 billion.¹ This planned rate of increase is slightly less ambitious than the plan to double State investments in agriculture in 1966-70; but it is about equal to what will probably be achieved in the current FYP. Most of the State's investment will probably go toward intensifying agricultural output—equipping farms with more modern machinery, making available better technology, building improved livestock structures, and expanding irrigation and drainage. An unspecified share, however, is designated for housing and other amenities.

Collective farm investments of \$47.7 billion have also been proposed for 1971-75. This is an increase of 50 percent over actual investments under the current plan, which represents some decrease in the planned growth rate of collective-farm investments. Collective farm investments climbed sharply during 1966-70, primarily as a result of major price increases

in 1965 on grains, meat, and other commodities.

Additional investments are scheduled for industries supporting agriculture. An investment goal of \$8.3 billion is set for expansion of fertilizer and pesticide production. Fresh emphasis will be put on acceleration of fertilizer production, which has lagged behind schedule. The goal for 1975 fertilizer production is 90 million tons (gross weight) compared with about 46 million tons in 1969, and a goal of 57.5 million tons for 1970. The 1980 goal is to produce 150 million tons. Agriculture is scheduled to receive 72 million tons of fertilizer in 1975, compared with about 39 million tons in 1969. Although this is relatively ambitious, considering construction problems and recent shortfalls in meeting planned increases in capacity, even partial fulfillment could substantially improve agricultural productivity, which is an essential requirement of the new plan. Brezhnev stated in his report that it is not possible to significantly expand sown area of crops.

New goals for mechanization are relatively conservative. This may be partly due to the fact that in the past, planned quotas for machinery deliveries to agriculture have usually been underfilled. It also indicates that for certain types of machinery, attainment of planned deliveries will bring the level of mechanization close to that considered necessary by Soviet authorities—if efficiently used—to carry out farm practices during peak periods. Although details are lacking, there is an indication that the 1971-75 plan will not emphasize tractors and combines as strongly as in past plans. Emphasis will be switched to other specialized equipment—needed on Soviet farms—such as forage harvesters and livestock feeders.

The 1971-75 plan continues to emphasize the program of irrigation, drainage, and land-improvement work, but the original 10-year goals established in 1966 clearly have been postponed beyond 1975. The plan calls for the irrigation of 7.4 million new acres and drainage of 12.4 million additional acres during 1971-75. According to Brezhnev, the Soviets added 3.0 million acres of irrigated land during 1966-69 and 7.7 million acres of drained land. The harvest of grain from

¹ All money-sums were converted at the current official rate of 1 ruble equals \$1.11. The ruble is often worth only 35 to 40 cents when traded in Western Europe.

irrigated land is projected to reach 10 million to 12 million tons by 1975. The improvement of grazing pastures and arable land for feed crops is also a major point of the plan. New irrigation projects in the Southern European and Volga River grain regions, as well as the cotton region of Central Asia, could have beneficial long-range effects on yields, and could boost output before the end of the period.

Price and income policies

Fewer price increases for agricultural commodities were announced in the program for 1971-75 than in the preceding plan. The system of bonus-purchasing prices for above-plan sales of grain, however, is to be continued, and has been extended to sales of livestock products. Brezhnev's address incorporated an expectation that annual government grain-purchase plans will be exceeded by 35 percent.

The major new price policies for the 1971-75 period, announced in a March 1970 decree, concern livestock production. The key features of this decree were a 20-percent increase in state purchasing prices for milk and cream; a 20- to 30-percent increase in prices for several grades of wool; price increases on sheep, goats, rabbits, and, in some areas, cattle. Regular purchase prices were fixed on livestock at the previous premium levels; price premiums of 35 to 50 percent were set on fat, young stock exceeding 660 to 925 pounds, depending on the region. Also named were 50-percent bonuses on livestock-product sales above planned levels, provided beginning-year inventories are maintained, and the extension of collective farm livestock-product prices to the private owners and to state farms—both important actions. This list of measures to spur livestock output is impressive and could bring renewed growth in the near future to this sector.

Following a period of major advances in rural incomes during 1966-70, the new program announced by Brezhnev holds forth little promise of further increases, except those directly related to production increases. As Brezhnev pointed out in his report, the increase in average monthly pay from 1965 to 1969 was 26 percent for state farm workers, and 33 percent for collective farmers. The value of agricultural output was only 11 percent higher in 1969 than in 1965. Moreover, the current plan saw the introduction of guaranteed-wage scales for collective farmers and their incorporation in the new Collective Farm Charter in November 1969. Farms apparently will make greater use of bonuses for extra work or output in remunerating farm workers during the coming plan. The practice of paying special bonuses to machine operators and field workers during harvest will continue.

Instead of emphasizing the material interests of collective farm workers, the new plan criticizes farm management and local Party organs for a continuing lack of discipline and expresses concern for the need to raise labor productivity. The policy adopted does not allow increases in farm wages to significantly exceed percentage increases in productivity. Brezhnev also noted other shortcomings of local Party leadership in guiding agriculture, particularly in planning, sales of commodities, and livestock inventories. He cited the recent creation of state inspectorates for the procurement and quality control of agricultural products as being one step to increase discipline and responsibility in meeting planned sales.

The rather strict disciplinary tone, which has been introduced in the new plan, is probably the result of a compromise between liberal and conservative forces debating the effectiveness of incentives in the economy. Some policy makers evi-

MAJOR INPUTS IN SOVIET AGRICULTURE
ACTUAL AND PLANNED

Item	Actual		Planned	
	1961-65	1966-69 ¹	1966-70	1971-75
Capital investment ²	<i>Billion dollars²</i>	<i>Billion dollars²</i>	<i>Billion dollars²</i>	<i>Billion dollars²</i>
.....	45.3	58.6	⁴ 78.8	⁵ 133.8
Agricultural machinery ⁶	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Tractors	218.5	289.2	358.0	340.0
Trucks	70.9	113.6	220.0	220.0
Grain-combines	<i>77.4</i>	<i>93.0</i>	<i>110.0</i>	<i>108.0</i>
	<i>Million metric tons</i>	<i>Million metric tons</i>	<i>Million metric tons</i>	<i>Million metric tons</i>
Fertilizer ⁷	27.1	38.8	⁸ 55.0	72.0

¹ Data for 1969 are preliminary. ² See footnote 1 of text for conversion rate. ³ Total for 5-year period. ⁴ Apparently excludes planned Government expenditures for rural housing and other amenities. ⁵ Sum of planned Government and collective-farm expenditures in agriculture. ⁶ Average annual deliveries. ⁷ Delivered in plan's terminal year. ⁸ Revised to 46 million tons in annual plan for 1970.

dently feel that incentives in the past have been too liberal and costly and that a more conservative line of quota enforcement should be reestablished. The political price of such a reversion to old methods, and the effect on morale, could be great considering the evidence of success achieved by the more liberal Brezhnev-Kosygin innovations.

Grain—the central problem

The 1971-75 plan for Soviet agriculture calls for an average annual grain production of 195 million tons, reaching 205 to 210 million tons by 1975, compared with an average output of 162 million tons during 1966-69.² The Government plans to purchase 60 million tons each year of the current plan, only slightly more than the 55.7-million-ton target established for 1966-70. By means of supplementary procurements from farms, the Government hopes to acquire up to 80 to 85 million tons of grain annually.

Although grain production during 1966-69 averaged 32 million tons above the previous 5-year average level, Brezhnev still declared the grain situation to be the central problem area. The emphasis, however, has shifted from Russia's need for breadgrain to the need for feedgrain. During the period 1961-65, state purchases of domestic wheat averaged 30 million tons and fell as low as 23 million tons in 2 years, requiring large foreign imports. Government purchases of domestic wheat averaged an estimated 45 million tons during 1966-69, providing adequate supplies for human consumption, as well as a surplus for feeding, exports, and reserves.

The increased level of grain production has allowed sharply expanded use of grain for feed. According to Brezhnev, 80 million tons of grain were used for this purpose in 1969. About 34 million tons were reportedly fed annually during 1958-65.

Despite the apparent success in increasing grain production and availabilities, feed supplies have been inadequate for the planned growth of livestock production. One problem was the failure to attain adequate growth in grain output after the

² Soviet official data without adjustment for excess moisture and waste. The plan and production data on grain in this article are all taken from Soviet official data.

bumper 1966 crop. As a result of this and other difficulties, livestock production stagnated in 1969.

Success in again reaching targets set for grain production would sharply boost the supply of feed concentrates to Soviet livestock feeders. The fertilizer and irrigation programs should contribute to grain production, but measures to achieve planned targets are not fully evident at this time.

Livestock products—increased priorities

Following several years of growth in output of livestock products, and corresponding improvements of consumption levels, the Soviet leadership was faced with new difficulties in this area in 1969. Stagnation in production brought a halt to the gradually improving food situation. Per capita meat consumption actually declined from 106 pounds (including fats) in 1968 to about 101 pounds in 1969. Russia's inability since 1966 to spur growth in output of most feedstuffs gave little hope of quick improvement in the livestock situation on the country's state and collective farms. Moreover, lack of incentives for maintaining livestock holdings on private plots caused an erosion of inventories in this area.

To correct this situation, the regime took steps in March to increase incentives for livestock production, not only in the socialized sector, but also on privately owned plots. The new 1971-75 program also includes policies that could bring about an improved feed supply. Emphasis will be given not only to expanding grain output, but also to increasing yields of forage crops, and to greater output of balanced feed mixtures. In addition to the construction of state-operated plants for feed mixtures and additives, the plan recommends production of automatic feed-mixing units for on-farm use.

The livestock-output goals for 1975 call for substantial increases over current output. The meat target of 15.6 million tons is 34 percent higher than that attained in 1969. Plans call for a 38-percent increase in egg production and a 20-percent increase in milk production compared to 1969. These increases are all substantially larger than the accomplishments of the current FYP and will be difficult to attain. Nonetheless, the plan's program, if enacted, should give another major

SOVIET PROCUREMENT OF CROPS, LIVESTOCK PRODUCTS, ACTUAL AND PLANNED

Item	Actual		Planned	
	Average		1970	1975
	1961-65	1966-69		
	Million metric tons	Million metric tons	Million metric tons	Million metric tons
Total grains	51.6	64.2	55.7	60.0
Sugarbeets	55.4	75.2	80.0	82.0
Sunflowerseeds	3.4	4.7	5.2	5.9
Cotton	5.0	5.9	6.0	6.8
Potatoes	8.4	10.8	(¹)	15.5
Meat ²	8.6	11.4	11.4	16.0
Milk ³	31.1	42.6	43.4	55.0
	Billions	Billions	Billions	Billions
Eggs	8.7	13.5	15.0	26.0

¹ Data not available. ² Live weight. ³ Total, including sheep, goat, and other types of milk.

boost to livestock-production results.

Increased efficiency of livestock production and better feeding performance are fundamental to the livestock program. For example, the plan calls for an average annual milk output of 5,732 pounds per cow on the socialized farms by 1975, compared with 4,967 pounds in 1969. Brezhnev strongly emphasized however, that livestock numbers also must increase.

Export crops—slower growth

Cotton, sunflowers, and sugarbeets all have contributed substantially to Soviet agricultural exports in recent years. Production of sunflowerseeds and sugarbeets has grown remarkably swiftly, but cotton output has stagnated.

The new plan calls for moderate growth in Government domestic purchases of sunflowerseeds and cotton during 1971-75; little growth in purchases of sugarbeets. In the case of sunflowerseeds, the planned increase in export availabilities definitely is lower, although the projected trend is still upward and no reversals are signalled.

The lack of growth in cotton production has been disappointing to the Soviet leadership and could hamper export potential unless growth is resumed. Stronger efforts in cotton growing are planned during 1971-75, with output of seed cotton planned to grow from about 6 million tons in 1970 to 6.8 million tons in 1975. Since about 1.6 million acres of newly irrigated land are targeted for the cotton-growing areas, achievement of the target may depend primarily on area expansion. Increased attention is also urged to crop rotations in the campaign against widespread wilt.

Summing up

The Soviet plan for agriculture during 1971-75 calls for little that is fundamentally innovative or new in direction, compared with the current program. What should be added, however, is that the current program has been quite innovative compared with previous programs, and also has brought a great deal of improvement to the Soviet agricultural sector.

The continuation of increases in fertilizer, machinery, and other investments in Soviet agriculture during 1971-75, together with the recently introduced incentives in livestock raising, can be expected to improve overall performance. Results, may not meet announced expectations of the leadership, but success appears within the realm of possibility.

PRODUCTION: MAJOR CROPS AND LIVESTOCK PRODUCTS, ACTUAL AND PLANNED ¹

Item	Actual		Planned 1970		Planned 1975
	Average		Original	Revised	
	1961-65	1966-69			
	<i>Million metric tons</i>	<i>Million metric tons</i>	<i>Million metric tons</i>	<i>Million metric tons</i>	<i>Million metric tons</i>
Total grains	130.3	162.4	180.0	174.5	205.0- 210.0
Sugarbeets	59.2	81.6	² 80.0— 85.0	(³)	(³)
Sunflowerseeds	5.1	6.4	(³)	(³)	(³)
Cotton, unginned...	5.0	5.9	² 6.0	6.2	(³)
Potatoes	81.6	94.3	² 110.0— 115.0	(³)	(³)
Meat (includ- ing fats)	9.3	11.4	12.0	12.1	15.6
Milk	64.7	80.0	85.7	83.5	98.0
	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>
Eggs	28.8	34.6	38.7	38.6	51.0

¹ Soviet official data without adjustment for excess moisture and waste. ² Targets estimated on the basis of other available data.

³ Data not available.

Yield of a traditional peanut variety (left) is compared with yield of an improved strain (right).



Demand Puts Increasing Squeeze on India's Fats and Oils Supplies

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Static per capita supply of fats and oils in India on one side and on the other rising demand for cooking oils, shortenings, and soaps have put considerable pressure on Indian fats and oils prices. This pressure is especially noticeable during the time of year when stocks are lowest—during oilseed harvests.

Prices of peanut oil (widely used in India) during the last decade indicate the trend. In 1960 the highest price for the year was about \$428 per metric ton. In 1965 it was approximately \$630 per ton; and by 1970 the yearly high had climbed to \$745 per ton.

Part of the price peak in some years is due to the withholding of oilseed crops from markets by farmers and hoarding by speculators—both of whom

hope to take advantage of shortage-heightened prices.

Another pressure on supplies of oils and fats in India is increasing demand for soap. Cheap, inedible fats such as tallow are normally used in Indian soap manufacture; but when inedible fats are unavailable, edible fats and oils are purchased. Such purchases further deplete stocks for human consumption.

In recent years Indian per capita consumption of edible fats and oils has averaged about 11.5 pounds a year. In the United States the annual average is over 50 pounds per person.

Traditionally in India the preferred cooking fat is ghee, a semiliquid, clarified form of butterfat from the milk of cows and buffaloes. About 20 percent of total Indian annual consumption of fats and oils is ghee. Another popular product is vanaspati, a hydrogenated mixture of vegetable oils, which in India is very

similar to animal ghee in texture and closely resembles shortening produced in the Western world. Vanaspati production was 482,000 metric tons in 1969.

Various regionally popular shortening blends include: peanut oil in western India, mustard oil in the Indo-Gangetic Plain, and coconut and sesame oil in southern India. Other edible oils utilized are cottonseed, rapeseed, and safflower.

Production and processing

To meet the country's fats and oils demands, India has tried both to increase production of oilseeds and other oil-bearing materials and to improve processing practices so that more oil can be extracted per amount of material.

So far, production has increased at a crawl rather than a run.

Work, however, is being done at Indian agricultural experiment stations on bettering peanut yields by using new



Left, transferring U.S. soybean oil from ships to trucks in Indian harbor. Right, digging up peanuts using traditional plow and bullock.



varieties and more modern farming practices. Since peanuts are India's biggest single oilseed crop, marked yield improvement would much advance output.

And recently the Indian Government has become interested in growing soybeans on a commercial scale in order to augment supplies of edible oils and also provide a source of high-quality, edible protein. At present, soybean cultivation is mostly limited to experimental plots in Uttar Pradesh and Madhya Pradesh.

Impediments to soybean production in the past have been lack of varieties suited to the wide range of climatic conditions in India, poor yields from existing varieties, and an underdeveloped processing and marketing organization.

Soybean upswing

With the introduction of several good soybean varieties developed by Indian agronomists, some of these problems may be overcome. A recent report indicates that the Indian Government proposes to plant nearly 75,000 acres to soybeans during 1970-71.

Processing advances have been more rapid. Until recently most oilseeds were crushed in small "ghani" mills in villages throughout India. (About 15 percent of oilseed production is still village processed.) The oil obtained can be used without further refining although it tends to smoke during cooking and imparts its flavor to foods. Then larger, commercial oil mills were built that used solvent extraction during processing. Sales of solvent-extracted edible oils provided a major incentive for these larger mills to expand facilities, to utilize cottonseed as a source of edible oil, and to prepare for soybean crushing when and if supplies become available.

In the meantime vanaspati manufacturers were also improving their technology. Originally, India's vanaspati was made chiefly from peanut oil; but as peanut oil prices rose, search was made for a less expensive substitute. In cooperation with the National Soybean Processors Association of the United States, studies were made which showed that soybean oil could be used if simple changes were made in the vanaspati manufacturing process. In 1969 about 120,000 tons of imported U.S. soybean oil was utilized.

If India feels it can afford it, its imports of fats and oils will certainly rise. Imports could take some of the bite out of fats and oils prices and help improve the diets of millions of Indians.

In the British Isles Owners Farm More Land While Big Farms Get Bigger

In the British Isles, as in the United States, larger farms are growing in size and are producing greater percentages of the nation's total farm output. Some small producers are finding farming unprofitable and are withdrawing, leaving the stage to these major farm enterprises. There is also a movement away from the diversified farm to the specialized unit which concentrates on the production of a limited number of commodities.

One difference, however, is that in the United States, fewer acres are being farmed by landowners as corporation farming increases in importance. In England and Wales, the number of owner occupants is increasing.

These conclusions about British agriculture during the 1960's were incorporated in *The Changing Structure of Agriculture*, a recent report issued jointly this year by the Ministry of Agriculture, Fisheries and Food of the United Kingdom, the Department of Agriculture and Fisheries for Scotland, and the Ministry of Agriculture for Northern Ireland.

Only 12 percent of the United Kingdom's farms are classified by the report as being large. However, these produce an estimated 51 percent of total agricultural output. Since 1965, large farms increased in number by only 2 percent (to 42,000), but their share of total agricultural production rose by 4 percent. The number of their farm employees also went up 4 percent. In 1965, they employed 55 percent of agriculture's labor force of full-time male workers. By 1968, this percentage had risen to 59 percent. The average large farm increased in size by only 10 acres since 1965. Farm size is classified according to the number of standard man-days of labor it requires annually to produce its crops and livestock. A large farm is capable of providing full-time work for at least four men; a medium-size farm can provide full-time work for two to four men; a small farm, work for one to two men.

The report revealed that some 5,000 of the largest farms in England and Wales, totaling only about 2 percent of all farm holdings in these countries, contributed 21 percent of the British Isles' agricultural production. The top 1 percent of these large farm holdings accounted for 15 percent of output.

There were 63,000 medium-size hold-

ings in 1968, down from 67,000 in 1965. Their production, however, remained steady at 26 percent of the country's total agricultural productivity.

The changes in small and very small farms were the most noticeable. Both dropped in total numbers. The small farm decreased by 12,000, while the very small units dropped by 10,000. The productivity of the small holdings dropped by 3 percent (to 16 percent of the total agricultural production); that of the very small units remained about the same. There were only minor changes in the sizes of farms within the two groups. The average small holding increased only slightly, the very small farms remained about the same size.

There is a decided trend in Great Britain toward concentration of enterprises. This is well marked in the poultry and the pork industries. In England and Wales, between 1960 and 1968, the average size of broiler enterprises increased by 22 percent a year (by 36 percent between 1960 and 1963), while the average laying flock rose by 12 percent a year between 1965 and 1968. The average pig breeding unit has been increasing in size by about 10 percent a year. These changes have been matched in Scotland and in Northern Ireland.

This concentration can be seen by a few examples: 37.7 percent of all breeding pigs were raised by only 5.5 percent of the country's pork producers; 1.5 percent of the poultry producers accounted for 50.4 percent of all laying hens, and 4.8 percent produced 55 percent of all broilers.

As a result of this concentration, the report said, many small producers are going out of business. Some 40,000 small-scale breeders went out of pig production in the United Kingdom between 1960 and 1968. Approximately 30,000 were in England and Wales; 8,000 were in Northern Ireland.

The trend toward owner-occupied farms continued to grow between 1960 and 1969, though at a slower rate than in the previous decade. Thus, for England and Wales, the owner-occupied acreage in 1950 represented about 38 percent of the total, 49 percent in 1960, and 54 percent in 1969. In Scotland, the corresponding percentages in 1961 and 1969 remained about 58 percent.

The 1970 world wheat crop is expected to decline by 5 percent for the second year in succession, based on information currently available to the Foreign Agricultural Service of the U.S. Department of Agriculture. World trade in wheat, however, is expected to move moderately in the other direction; it rose about 10 percent during the 1969-70 marketing year—making the first increase since 1965-66.

Planned acreage reductions by the world's largest traditional exporters—the United States, Canada, and Australia—plus a shift of wheat area to other crops in Argentina account for practically all of the crop reduction. Prospects are for decreased production in other areas—Western and Eastern Europe and west Asia—which will probably be offset by anticipated increases in India, Pakistan, North Africa, Mainland China, and perhaps the USSR.

Acreage drops for major exporters

Recent reports from Canada point to a dramatic drop in production to less than one-half of last year's 18.6 million-ton harvest. Some of this decrease might be attributed to a decline from last year's near-record yield. However, a prospective 50-percent reduction in acreage under the government's "Operation Lift"—Canada's program to divert wheat land to other uses—is the primary cause.¹

Production in the United States will be down by an estimated 3 million tons from the smallest acreage planted since crop adjustment programs began in 1933. The 12-percent reduction in this year's acreage allotment followed successive reductions of 13 percent during each of the 2 previous years.

Preliminary indications from Australia are that about 18 million acres will be planted, over one-fifth less than last year and nearly 9 million acres below the 1968 record. This area would be considerably less than Australia's 5-year average of 22.2 million acres. Early predictions point to a crop possibly below the delivery quota of 318 million bushels.

Argentina's first estimate of this year's acreage—compared to a year ago—is for a 24-percent reduction. The decrease is attributable both to dry weather at seeding time and to the current economic advantage gained by wheat producers by shifting to other crops such as feedgrains and oilseeds. Yields are very unpredictable at this early date.

Crop prospects mixed for Europe, Asia

Reports from Western Europe indicate that production will be down by about 1 million tons based on conditions to date. The principal decrease will be in France, where bread-wheat acreage is down about 10 percent. Another factor contributing to the decline was the late, wet spring in most areas; winter kill was generally minor. The only major increase expected in Western Europe is in the United Kingdom, where wheat area was substantially increased.

Limited information for the countries of Eastern Europe points to declines in production of from 5 to 10 percent, except Bulgaria, where production is expected to increase somewhat. Dry weather last fall in some areas, combined with a wet, late spring and subsequent flooding in several regions, is mainly responsible for the anticipated declines.

Prospects for western Asia, particularly Turkey, are much less favorable than last year's as a result of persistent drought in most countries.

¹ See "Canada's 'Operation Lift' Halves Prairie Wheat Area," *Foreign Agriculture*, Aug. 3, 1970.

Turnabout in Trade Volume and



Above, wheat farms in Saskatchewan, Canada; right, bulk wheat trains delivering direct to ship's hold, Western Australia.

In the USSR, prospects for a much improved winter wheat crop, may be counterbalanced by a substantial reduction in estimated spring acreage. An improvement in anticipated yields, however, could boost the total above the current best estimate for a crop at least equal to last year's.

Mainland China's crop is also expected to exceed last year's harvest, according to current reports.

World wheat trade up in 1969-70

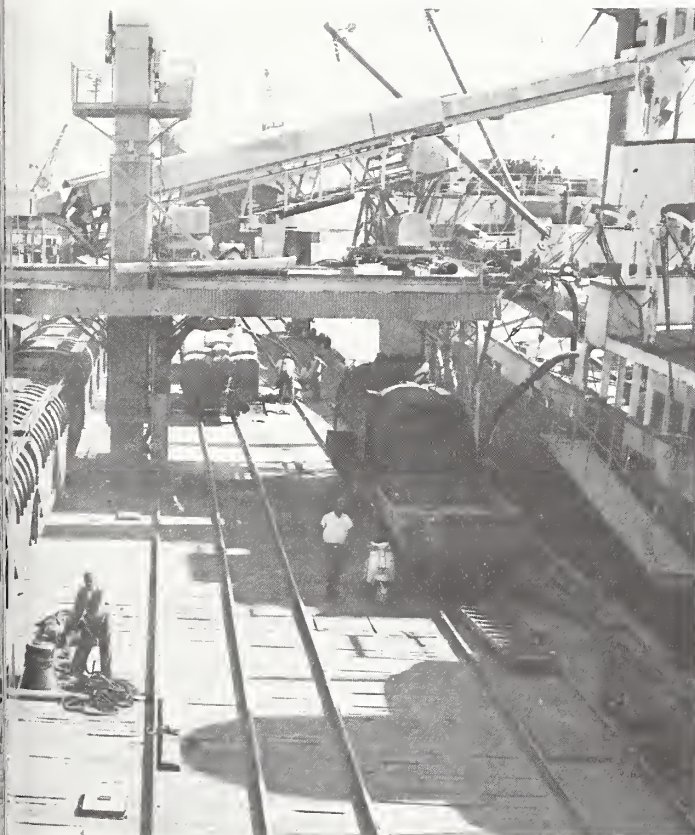
Preliminary figures indicate that wheat exports in the marketing year 1969-70 totaled about 1,800 million bushels, compared with 1,620 million in 1968-69. This is nearly a 200-million-bushel increase.

The gains in world wheat trade are as follows: Imports by Eastern Europe and the USSR increased by 53 million bushels. Communist Asia was up by 62 million bushels. India and Pakistan were up by about 30 million bushels. All other countries were up a total of about 26 million bushels.

Feed wheat imports into the United Kingdom—from July 1969 to May 1970—were about 36 million bushels, an increase of 17 million from the same period last year. Most of this year's wheat, like last year's, came from EC countries.

World noncommercial trade last year amounted to about

World Wheat: Prospects Improve



370 million bushels against 310 million last year. This increase, added to larger feed wheat sales, accounted for about 50 percent of the increase in world trade in 1969-70.

Total U.S. exports were 606 million bushels in 1969-70 against 540 million in 1968-69; this amounts to a 50-million-bushel increase. U.S. commercial trade was 326 million bushels compared with 294 million last year. Canada exported about 330 million bushels; in 1968-69 it had exported 320 million. Australia exported about 267 million bushels compared with 196 million in 1968-69. The share of total world wheat exports supplied by Canada, Australia, and the United States combined was 67 percent in 1969-70. Their share of total world exports in 1968-69 was 65 percent.

Most major exporters increase sales

U.S. commercial sales to Western Europe were 75 million bushels, up from 71 million in 1968-69. Commercial exports to non-Communist Asia rose from 127 million bushels in 1968-69 to about 150 million in 1969-70. Of this total, U.S. exports to Japan were 87.5 million bushels or 26 percent of commercial sales. This makes Japan the largest importer of U.S. wheat. India, which was previously in first place, dropped to second spot with imports of 85.1 million bushels. U.S. commercial exports to Latin America were up from 62 million bushels to 78 million in 1969-70.

Canada exported 17 million bushels less to Western Europe during 1969-70 and 4 million bushels more to non-Communist Asia. The takings of Communist countries increased from 86 million bushels to 125 million in 1969-70. Exports to some other areas were smaller or unchanged.

Australia's exports to Communist Asia were up from 52 million bushels in 1968-69 to 95 million in 1969-70; exports to non-Communist Asia, from 63 million bushels to 83 million. Exports to other areas were unchanged.

EC exports increased from 172 million bushels to about 275 million in 1969-70. Wheat sales to the three most important EC markets also increased. Communist China tripled its imports from the EC to 27 million bushels; UAR imports went up from 35 million bushels to 48 million, and trade with the United Kingdom increased from 32 million bushels to 36 million, most of it feed wheat.

The USSR exported about 150 million bushels, down from 198 million in 1968-69. Shipments by minor exporters declined as follows: Spain's to 16 million bushels from 24 million; Romania's, to 15 million bushels from about 20 million.

Trade outlook for 1970-71

The important factors which will govern world trade this year will be smaller available stocks along with production at about last year's level, except for the three major exporting countries—the United States, Canada, and Australia, where beginning stocks of wheat totaled about 2.4 billion bushels on July 1, 1970, compared with 2.1 billion on July 1, 1969. Based on present prospects, they may be down to about 1.9 billion by July 1, 1971.

Eastern Europe and western Asia, particularly Turkey, will import more wheat because of smaller crops. Imports by South America and eastern Asia will be about the same as last year or up slightly. The EC and Spain will probably export less because of somewhat smaller wheat crops and the reduced stocks which have resulted from last year's high level of exports and greater use of wheat for domestic animal feed.

Canada Sells Wheat in New Markets, Recaptures Old Under Liberal Terms of Expanded Credit Program

Canada's year-old "expanded credit program has accounted for sales of about 2.2 million metric tons of wheat, worth some \$160 million, since the program was introduced in July 1969. All sales were either to brandnew customers, to those who had taken negligible amounts in the past, or to those who had not purchased wheat from Canada for almost 20 years.

The program, designed to promote wheat sales to developing countries, provides much more liberal terms than do Canada's older credit programs.

300,000 tons to Syria

Most recent transaction under the program was announced on June 26. It called for the sale to Syria of 100,000 tons of Canadian durum wheat, valued at Can\$8 million. Loading began at Montreal and shipments will continue until October. The sale was negotiated by Northern Sales (1963), Ltd., of Winnipeg, an agent for the Canadian Wheat Board (CWB).

This transaction follows a similar sale of 200,000 tons to Syria in April by the same firm, with shipments to run through January 1971. This was reported to be the first substantial sale of Canadian wheat ever made to Syria. Accomplishment of these Syrian wheat sales has been attributed by Canadian officials to the expanded credit program.

What the program does

The CWB says of the program:

"With the use of subsidized interest rates and guarantees on long-term loans, the program has greatly enhanced Canada's competitive position in the developing countries of the world and made it possible for the Wheat Board and its agents to match the kind of terms being offered by other exporting countries. Under the expanded program, the special credit terms are made available for sales to an approved list of developing countries. The list, which is kept under constant review, at present includes about 40 eligible countries.

"The credit facilities offered under the expanded program fall into two categories. Private exporting companies which are accredited agents of the Canadian Wheat Board can negotiate sales involving credit terms of 3 years or less provided suitable insurance coverage,

repayment conditions, and payment guarantees are obtained. The Board itself, however, negotiates any sales requiring longer credit terms and government-to-government arrangements."

The first wheat sale under Canada's expanded credit program was made to Peru on July 4, 1969. The deal was negotiated directly by the Wheat Board and involved 200,000 tons of wheat, with shipments running from September 1969 through July 1970. The wheat was valued at about \$14 million.

More recently, on April 14, 1970, the Board sold Peru an additional 200,000 tons of wheat, with an option for a further purchase of 80,000 tons. Delivery was for July 1970 through June 1971.

Reports from Peru indicate that terms for the first Peruvian sale included 5-year credit, 10 percent cash, and 4 $\frac{1}{8}$ percent interest. For the April 1970 sale they were 3-year credit, 5 percent cash, and interest at 6 $\frac{1}{4}$ percent. For transactions with other countries, however, credit terms have not been made public.

Egypt takes 500,000 tons

A 500,000-ton sale of Canadian wheat to Egypt was announced on May 20, 1970. Valued at about \$35 million, this is the first sizable sale of Canadian wheat to Egypt since the 1952-53 crop year. Cargill Grain Co., Ltd., of Winnipeg negotiated the sale, as accredited agents of the Wheat Board. Shipments will run from July through October 1970.

Then, on May 29, Canada sold Brazil 900,000 tons of wheat, the first Canadian wheat to move to Brazil since 1953-54. Shipments were to begin in June 1970 and extend over a 4-year period. The value of the sale was about \$60 million. In addition there is an option for a future sale of another 100,000 tons.

Traditional U.S. customers

The Peruvian and Brazilian sales were made directly by the Canadian Wheat Board, while those to Egypt and Syria were made by private companies as agents for the Board. All four of the countries have been buyers of U.S. wheat, with Peru and Brazil especially important traditional U.S. outlets.

As a marketing tool, the new credit program provides much more flexibility than other Canadian programs which have existed for some time. These in-

clude the program operated under the Export Development Corporation which insures companies against nonpayment of foreign accounts and provides for a minimum of 10 percent cash with the balance, at commercial interest rates, repayable in 3 years. Special credit is also extended by the Wheat Board on sales to Mainland China, which from July 1969 to May 1970 alone took 1.6 million tons of Canadian wheat. Guaranteed by the Canadian Government, credit arrangements provide for payment in sterling with 25 percent cash at the time of shipment and the balance payable in 18 months.

—By ANSEL S. WOOD,
Grain and Feed Division, FAS

Canada Ends Barley Sales Abroad for One Year

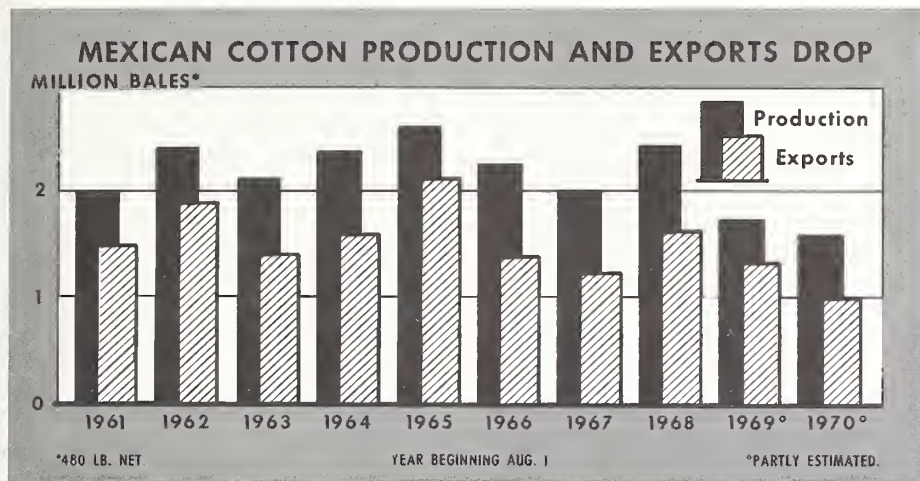
This summer the Canadian Wheat Board declared a moratorium on its export sales of barley from June 1970 until May 1971. The halt to overseas sales was called because export shipments of the grain had strained facilities, causing congestion in the elevators at major Canadian ports.

As a result of the embargo, it seems unlikely that Japan's proposed order for 4 million bushels of Canadian barley for export in October will be filled.

As of the week ending June 3, 1970, overseas clearances for barley had reached 43.3 million bushels (not including forward sales). This compares with 10.3 million bushels during the corresponding 10-month period in the previous year.

Livestock and poultry producers in Italy, West Germany, and Japan have been purchasing barley in preference to other feedstuffs owing to higher prices for corn, soybean meal, and fishmeal. The Wheat Board's embargo has already caused Italy to place orders for future delivery of 7.4 million bushels of barley to be shipped from St. Lawrence River ports during May, June, and July 1971.

Canadian barley plantings for 1970 have unofficially been reported to be 25 percent greater than last year's 9.5 million acres. Production of Canadian barley in 1969—up by about 16 percent from the previous year—amounted to 378.4 million bushels.



Mexican Cotton Exports To Be Cut By Substantial Decline in Output

By VERNON L. HARNESSE
Cotton Division, FAS

The Mexican cotton industry faces an uphill battle to hold its position as the foremost competitor of the United States in cotton-consuming centers around the world. Lower production this season in Mexico will limit 1970-71 exports to about 1 million bales—300,000 bales below 1969-70 exports and the lowest export level in nearly two decades. A 1-million-bale volume could slip Mexico below Brazil and Turkey on the list of suppliers of upland cotton—the type shipped in quantity by U.S. producers.

Mexico's cotton is destined for most of the same markets that buy U.S. cotton. Japan is the chief buyer of both countries' cotton and usually takes over two-fifths of Mexico's exports. In Europe, Italy is top purchaser of both U.S. and Mexican cotton. Other major cotton markets in which the two countries compete are Canada, West Germany, France, Switzerland, and Taiwan.

Chile has increased purchases of Mexican cotton sharply since the advent of the Latin American Free Trade Association, and the United States has been eliminated as a major supplier.

Problems and profits affect output

Mexico's reduced export role stems directly from a substantial cutback in production. The current estimate for 1970-71 is about 1.60 million bales on 1.10 million acres compared with 1.75 million bales and 1.34 million acres a year earlier. This season's crop is substantially below the average of 2.34 million bales grown on 1.82 million acres during the previous 5 years.

An example of an area that has run

into cotton-production problems is the Altamira region, northwest of Tampico. From 1960 to 1965-66 production skyrocketed from no commercial crop to nearly one-half million bales. Despite relatively low yields, profits were high because the cotton was rain grown, no fertilizer was used, land was cheap, and little pest control was required. Natural risks, however, are great—drought, untimely rains, and severe storms. In recent years these risks, plus increased pest problems, plus reduced soil fertility, have pushed the chance of crop failure for cotton in Altamira to high levels. The Government ceased making crop insurance available to farmers in the area, and production is now negligible.

Another area with production problems is Mexicali in Baja California—now the third-ranking production region. The appearance of the pink bollworm has lowered yields and increased pest-control costs; the irrigation system needs renovation so water can be better used.

Profit squeeze

Relatively high on-farm production costs for Mexico's cotton and low profits (especially compared with alternative crops) have encouraged farmers to reduce cotton acreage in areas where production problems are under control. Another factor is that minimum prices are not guaranteed for cotton but are for most major food and oilseed crops.

In general, farmers able to produce above-average yields (the all-Mexico average yield in 1969 was 654 pounds of lint per acre) find cotton profitable at current Mexican prices—about \$0.25 per pound. But farmers who have low-yielding cotton crops lose money at even higher cotton prices.

In 1970 Mexican lint-production costs may be slightly lower than normal when account is taken of the unusually high cottonseed prices farmers are receiving—about \$110 per metric ton. This is about twice the price U.S. farmers obtain.

Some competition aids

Mexican cotton competes effectively with other cottons in world markets despite these relatively high on-farm production costs, because of low off-farm costs. Ginning charges, though rising, are \$2 to \$5 less per bale than U.S. charges because of larger volume handled per gin and low-cost labor and tare. Another plus is that gins press bales into packages suitable for export. In U.S. practice most export bales must be re-compressed.

A key factor in Mexico's ability to compete on world cotton markets is its efficient marketing system. Merchants move cotton as rapidly as possible to terminate interest and carrying charges. Handlers have chosen to have little storage; because of the usually dry climate and quick disposal of a cotton crop, storage is not commonly needed. Also, because of few ownership transfers, cotton moves into export with a rather narrow spread between farm price and foreign delivery price. And low wages contribute to inexpensive transport of cotton from gin to shipside.

Finally, since competition is strong among Mexican cotton merchants and between Mexico and other countries, the nation's cotton industry has adopted the price flexibility needed to meet rapidly changing market conditions.

This is the first of a series of 16 articles on competition with U.S. cotton by exports from other major producers.

Canada's Grain Shipments Mount— 100-Million-Bushel Increase Expected

The Canadian Wheat Board recently announced that grain exports during the crop year just ended should show an increase of more than 100 million bushels compared to shipments made in the previous year. Total exports for the 1969-70 crop year, which ended July 31, were expected to reach 480 million bushels, according to a report by Eugene Olson, U.S. Agricultural Attaché in Ottawa. Of this total, it is believed wheat and flour exports will amount to about 350 million bushels, an increase of some 45 million. Barley and rapeseed exports are expected to be greater than those of the previous crop year. Much of the 100-million-bushel increase is due to heavy barley shipments.

Rapeseed exports, totaling 22 million bushels, are expected to set a record in 1969-70. This is some 8 million bushels over the exports of 1968-69. According to the Board, barley exports in 1969-70 may be near the 90 million-bushel mark. This is a 400-percent increase compared to the previous year's exports. Export of other crops—flaxseed, rye, and oats—totaled 27 million bushels, 7 million more than the previous year.

Effects of "Operation Lift"

The effects of "Operation Lift," the Canadian Government's program to reduce wheat acreage and to divert the land to other crops, are expected to be noticeable in July 1971, when the current crop year ends. Under the program, which went into effect in early 1970, wheat plantings dropped to the lowest level since 1914—12.0 million acres. Canada expects the acreage decline will reduce the wheat carryover from about 1 billion bushels at the end of July 1970 to about 750 million bushels on the same date next year. Final determination of the size of the wheat carryover at the end of the current crop year will, of course, depend on yields and final sales figures.

Because world grain prices were lower than the prices paid to Canadian farmers under the country's grain-guarantee programs, the Government will have to accept deficits that could reach \$61 million. Deficits occur when the net sales price for grain is less than the initial payment made to Canadian farmers by the Canadian Wheat Board; the resultant deficit is passed on to the government. The losses

in connection with barley sales during 1969-70 were some \$10 million; the deficit for oats was \$1.2 million. The wheat deficit—not yet totaled—may go to \$50 million.

Export sales

Export sales during the first months of the present crop year (1970-71) are expected to be ahead of the sales made during the same months in the year just ending. The flow of grain from the farm to the elevator was heavy during the last 3 months of the 1969-70 crop year and is expected to continue to be heavy during the first months of 1970-71.

Barley sales for export during the current marketing year are already at a high level and, according to recent official Canadian announcements, give assurance that the 1952-53 record of 122 million bushels will be exceeded.

Rapeseed acreage was doubled in 1969-70, and the record crop was sold at good prices. Indications are that acreage has again been doubled and, if growing conditions are suitable, will result in a crop that will challenge Canadian sales efforts.

Canada's wheat quotas are set at 8 bushels per acre for qualifying acreage. Indications are that there will be a base of more than 45 million acres. If all quotas are met, wheat deliveries will be in excess of 360 million bushels. Should qualifying acreage be less than 47 million acres, the quota might be increased to 9 bushels per acre.

Cattle to Canada

Canada has granted import permits to 446 applicants to import 612 cattle from Europe this year. Permit holders are entitled to purchase cattle from France and Switzerland, the only two approved European countries, and to import them only through the Grosse Ile and St. Pierre maximum security quarantine stations. This year's permit holders will import 412 cattle from France and 200 from Switzerland. Four is the maximum number of cattle each permit holder will be allowed to import.

The Canada Department of Agriculture received about 1,300 applications to import about 7,000 head of cattle this year. (The capacity of the two quaran-

tine stations is slightly more than 600 head of cattle.)

Holders of this year's import permits are limited as to the breed of cattle they may bring into Canada as well as to the country of origin of the cattle. Both must agree with the facts set forth in the application form.

In future years, imports may be allowed from European countries other than France and Switzerland, and discussions are underway to formulate agreements setting acceptable standards.

The cattle being imported this year will undergo preliminary quarantine in Europe and will arrive at the maximum security quarantine stations in the fall of 1970. If they meet Canadian health standards, the cattle will be released from quarantine in the spring.

Wheat Export Study

The Canadian Wheat Board has announced the appointment of a six-member committee of international grain-marketing experts to study Canada's wheat export-marketing system. The announcement was made in Winnipeg by the Chief Commissioner of the Wheat Board, W. C. McNamara.

The committee—headed by Dr. M. W. Menzies, a prominent Canadian economics and grain-policy consultant—was directed to start its examination of Canada's grain-marketing structure immediately. The study will take from 3 to 5 months to complete. The report will be delivered to the board prior to the Canadian Agricultural Congress in November.

During its evaluation of the effectiveness of Canada's system of selling wheat under changing world conditions, the committee will hold discussions with representatives of the grain industry in Canada and in countries abroad.

In addition to Dr. Menzies, the committee will include members from Canada, the United States, and Europe. Other members of the group are Dr. John Schnittker, professor of economics at the Kansas State University and a former U.S. Undersecretary of Agriculture; A. P. Van Stolk, president of Van Stolk's Koninklijke Commissiehandel, Rotterdam, who is also a grain adviser to the European Economic Community; Vernon Lester, president of Powell-Lester, a Vancouver-based grain exporting firm; A. T. Baker, former general manager of the Alberta Wheat Pool; and Dr. J. L. Leibfried, executive assistant to the Canadian Wheat Board.

Swiss, Austrians Cut Some Import Charges

Switzerland and Austria recently announced reductions in import charges on a variety of commodities, including feedstuffs, calf carcasses, various types of fish, and several kinds of fruits and nuts. The Austrian reductions are for a limited time; Switzerland gave no cutoff date for announced cuts. Both countries' reductions became effective July 1, 1970.

The Austrian cabinet, which lowered the import rate on some food items and abolished it on others, said it did so in an effort to slow down the spiral of rising prices. Unless rescinded earlier, the slashed import charges will remain in

effect for a period of 6 months, until December 31, 1970. It is probable, however, that they will be extended beyond the end of the year. Average Austrian imports of these products run to about \$2.2 million annually.

The Swiss reduced their supplementary-import charges on certain feedstuffs. The reductions, which range from Sw Fr 2 to 4 per 100 kilograms (47 to 94 U.S. cents per unit of 220 lb.), were the first downward adjustments in the price of feedstuffs made since the fall of 1967, when the Swiss instituted measures to reduce the country's dairy surplus.

In making the July announcement, the Swiss Government said the reductions were made possible by higher world market prices for feedstuffs. Certain grains on the Swiss list are used for both feed and food. Reductions also apply when these grains are imported for human consumption.

SWITZERLAND: SUPPLEMENTARY IMPORT CHARGES ON SELECTED FEEDSTUFFS¹ EFFECTIVE JULY 1, 1970

Commodity	Supplementary charge	
	New	Old
	Dol. per 100 lb.	Dol. per 100 lb.
FEED ELEMENTS		
Animal blood, fish, etc.	0.10	0.31
Pulses .....	.53	.74
Manioc roots .....	.85	1.07
Wheat, denatured .....	.31	.74
Rye, denatured .....	.63	.85
Barley	1.17	1.49
Oats .....	.53	.85
Corn .....	.42	.63
Paddy, broken rice, etc. ....	.31	.53
Buckwheat, millet, sorghum, etc.		
Compulsory stock ² .....	.53	.85
Not compulsory stock .....	.69	.96
Corn flour	1.49	1.71
Rice flour	1.49	1.71
Flour from barley, oats and grain	1.49	1.71
Feed meal, denatured	1.92	2.14
Grits, semolina, etc. from barley or oats	1.49	1.71
Grits, semolina, etc. from corn or rice	1.49	1.71
Wheat germs (for feed or oil)	1.38	1.60
Vetch, lupin seeds .....	.53	.74
Carob, carob germs (not compulsory stock) .....	.90	1.07
Meat and fish meal, etc. ....	.10	.31
Bran and other byproducts from grain	1.28	1.49
from other sources .....	.42	.63
Oilcake and oilmeal (including soya)		
Compulsory stock ²	1.17	1.52
Not compulsory stock ...	1.33	1.49
FOOD ELEMENTS		
Barley .....	.82	1.04
Barley, peeled .....	.78	.99
Oats .....	.37	.59
Oats, peeled .....	.33	.53
Corn .....	.21	.31

¹ Commodities not affected by customs reductions are not listed. ² Compulsory stocks are supplies of commodities, generally imported, maintained in the interest of national defense.

AUSTRIA: CHANGES IN TARIFF RATES EFFECTIVE JULY 1, 1970

Commodity	Import duty		Import equalization tax	
	Old rate	New rate	Old rate	New rate
Cattle (calves), carcasses:				
Whole, unskinned, with head and feet removed:	Percent ad valorem	Percent ad valorem	Percent ad valorem	Percent ad valorem
Up to 264.5 lb.	—	—	11.8	0
Up to 242.5 lb.	—	—	(¹)	—
Up to 220.4 lb.	—	—	11.8	0
Cashew nuts	—	—	6.25	0
Grapes, dried (raisins)	6.0	0	—	—
Almonds	—	—	6.25	0
Olive oil, excluding oil in drums or tank cars	—	—	7.75	0
Fish, cooked or smoked (in airtight containers):				
In sauces, mayonnaise, remoulade or other nonjellying sauces ²	—	—	10.6	0
In own gravy	—	—	10.6	0
Herring, roasted (in airtight containers)	—	—	10.6	0
Eels (in airtight containers), having a gross weight of 10 lb. or more ...	—	—	10.6	0
Fish (excluding anchovies and anchovylike preparations of all kinds; not in airtight containers), in oil	—	—	10.6	0
Fruit pulp: pears, apricots, or peaches (Certified by the Ministry of Agriculture to be destined for the manufacture of soft drinks) ...	10-25	0	—	—
Pineapple and citrus fruit preserves	—	—	10.6	0
	Dol. per 100 lb.	Dol. per 100 lb.		
Olive oil, pure	\$1.20	0	—	—
Fish, cooked or smoked (in airtight containers), in sauces, mayonnaise, remoulade or other nonjellying sauces ²				
Citrus fruit preserves:	.95	.60	—	—
Grapefruit	³ 6.90	0	—	—
Other	³ 6.90	0	—	—

¹ Cattle (calves), carcasses: Whole, unskinned, up to 242.5 lb. were exempted from the import tax prior to July 1, 1970. ² Fish having the same description but imported into Austria under different tariff numbers. ³ This is a specific-ad valorem tax. The tax is either based on a percentage of the ad valorem or on the specific figure listed above, whichever is higher. The percentage rate for grapefruit preserves is 25 percent; for other types of citrus preserves it is 12 percent. The specific figure is listed above.

CROPS AND MARKETS SHORTS

U.S. Cotton Exports Up

U.S. cotton exports in 1969-70 (August-July) totaled 2,768,189 running bales, slightly higher than the 2,731,433 bales shipped a year earlier.

Exports of cotton to Europe were down 38 percent to 344,000 bales. Shipment to all major European cotton customers

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average 1960-64	1966	1967	1968	1969
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria	23	4	1	0	0
Belgium-Luxembourg	121	52	45	30	19
Denmark	14	8	10	1	(¹)
Finland	17	15	11	3	6
France	319	163	148	88	30
Germany, West	269	159	100	31	26
Italy	345	263	253	62	46
Netherlands	110	31	36	19	19
Norway	13	10	7	5	1
Poland	125	78	77	106	51
Portugal	21	1	9	8	2
Romania	2	0	0	0	46
Spain	74	1	7	5	4
Sweden	81	71	75	51	37
Switzerland	74	79	60	32	15
United Kingdom	244	153	125	48	38
Yugoslavia	112	139	67	54	0
Other Europe	15	11	24	7	4
Total Europe	1,979	1,238	1,055	550	344
Algeria	9	1	13	27	11
Australia	61	17	17	0	(¹)
Bolivia	7	9	0	0	0
Canada	353	297	142	108	181
Chile	18	3	1	(¹)	1
Colombia	3	1	0	(¹)	(¹)
Congo (Kinshasa)	6	34	13	0	0
Ethiopia	9	9	22	9	1
Ghana	1	15	12	17	27
Hong Kong	148	183	299	194	61
India	314	289	342	174	261
Indonesia	40	161	70	105	242
Israel	15	2	4	1	(¹)
Jamaica	4	5	1	2	2
Japan	1,192	1,293	1,103	536	623
Korea, Republic of	261	372	351	447	455
Morocco	12	14	35	19	28
Pakistan	14	3	18	1	16
Philippines	123	134	154	119	146
South Africa	41	38	23	9	4
Taiwan	209	373	378	259	193
Thailand	34	70	90	66	54
Tunisia	2	15	14	0	5
Uruguay	6	0	0	0	0
Venezuela	8	1	(¹)	(¹)	(¹)
Vietnam, South	46	66	24	62	99
Other countries	9	26	25	26	14
Total	4,924	4,669	4,206	2,731	2,768

¹ Less than 500 bales.

—Belgium, France, West Germany, Italy, Poland, Switzerland, and United Kingdom—were down sharply. No cotton was exported to Yugoslavia in 1969-70, compared with 54,000 bales a year earlier and 139,000 bales 3 years ago. But 46,000 bales of cotton were exported to Romania (all under CCC credit)—the first exports to that country since 1964-65 and far above the 1960-64 average of 2,000 bales.

Cotton exports to Canada, India, Indonesia, Japan, Republic of Korea, Morocco, Philippines, and South Vietnam were up sharply, offsetting the drop in exports to Europe as well as in those to Hong Kong, Taiwan, and Thailand.

U.S. exports in July 1970 totaled 185,800 bales, compared with 269,353 in June and 278,139 in July 1969.

Weekly Rotterdam Grain Price Report

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	Change from		
	August 26	previous week	A year ago
	Dol. per bu.	Cents per bu.	Dol. per bu.
Wheat:			
Canadian No. 2 Manitoba	2.03	+3	1.85
USSR SKS-14	(¹)	(¹)	1.77
Australian Prime Hard	(¹)	(¹)	1.80
U.S. No. 2 Dark Northern			
Spring:			
14 percent	1.95	-7	1.80
15 percent	1.99	-6	1.85
U.S. No. 2 Hard Winter:			
13.5 percent	1.92	-9	1.80
Argentina	(¹)	(¹)	(¹)
U.S. No. 2 Soft Red Winter ..	1.87	-1	1.62
Feedgrains:			
U.S. No. 3 Yellow corn	1.89	-7	1.39
Argentine Plate corn	1.99	0	1.72
U.S. No. 2 sorghum	1.66	-4	1.42
Argentine-Granifero	1.69	-4	1.47
Soybeans:			
U.S. No. 2 Yellow	3.24	-6	2.71

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Exports of Grain and Feed

U.S. exports of grain and feed commodities in 1970, at \$2,534 million, were \$287 million above those of fiscal 1969.

Exports of coarse grains and feed products exceeded \$1.1 billion and accounted for \$220 million of the increase. Corn alone represented nearly \$201 million of the gain for this group. Exports of wheat and products, at \$964 million for the year, also represented a sizable gain of \$43 million. But the percentage gain was greatest for seeds and pulses, which increased by \$9 million and \$14 million, respectively. Rice increased by \$5 million while miscellaneous products declined by \$4 million.

U.S. EXPORTS OF GRAIN AND FEED COMMODITIES

Item	Unit	Quantity		Value	
		1969 ¹	1970 ¹	1969 ¹	1970 ¹
Wheat and products:					
Wheat	Mil.bu.	471	531	787.6	831.3
Flour	Mil.cwt.	26.6	28.4	105.5	110.0
Bulgur/Rolled wheat	Mil.lb.	616	568	27.9	22.3
Total		—	—	921.0	963.6
Coarse grains and feed products:					
Corn	Mil.bu.	506	615	627.8	828.6
Corn meal	Mil.cwt.	4.2	3.1	11.3	12.6
Corn by- products	do.	—	—	46.5	45.0
Sorghums	Mil.bu.	105.4	117.6	126.0	146.2
Barley/malt	do.	13.2	17.0	16.6	13.3
Oats	do.	3.8	1.6	2.6	1.4
Rye	do.	1.2	.5	1.5	.6
Prepared feeds... ..	1,000 s.tons	197	249	24.2	27.1
Alfalfa meal	do.	432	451	20.8	22.9
Hay/fodder	do.	129	120	5.6	5.6
Total		—	—	882.9	1,103.3
Rice:					
Brown	Mil.lb.	1,559	864	121.6	67.4
Parboiled	do.	392	643	36.3	61.6
Other	do.	1,874	2,436	157.4	190.7
Total	do.	3,825	3,943	315.3	319.7
Seeds:					
Grass/legume ...	do.	58.6	71.5	16.8	21.8
Vegetable/ other	do.	70.4	43.4	18.0	17.3
Bean/pea	do.	41.6	46.6	5.5	7.7
Corn/sorghum ...	do.	70.5	108.4	5.3	8.2
Total	do.	241.1	269.9	45.6	55.0
Pulses:					
Dry beans	Mil.cwt.	2.6	4.0	23.4	33.5
Dry peas	do.	2.3	2.9	13.7	16.7
Lentils	do.	.5	.6	4.4	5.4
	do.	5.4	7.5	41.5	55.6
Miscellaneous		—	—	40.6	36.6
Grand total		—	—	2,246.9	2,534.0

¹ Fiscal year ending June 30. Bureau of Census.

U.S. Soybean Exports Up

U.S. exports of soybeans in June, at 37.9 million bushels, almost tripled the June 1969 total of 14.0 million bushels and exceeded the previous month's exports by 1.5 million. The September-June total reached 374.4 million bushels—up 46 percent of 118.0 million bushels from the same period last year. Larger exports to the European Community, Japan, and Canada accounted for 75 percent of this year's increase, with the remainder of the increase mainly to Spain, the Republic of China, Denmark, and the United Kingdom.

Soybean oil exports in June attained a new peak level of 210.3 million pounds, topping the record 196 million pounds exported in April 1963 by 14 million. Over half of the oil exported in June was destined for Pakistan. Of this, an estimated 30 million pounds were shipped under Public Law 480 programs and about 85 million as commercial sales. October-June exports totaled 958.2 million pounds, an increase of 45 percent from the 662.9 million exported through June 1969. Commercial exports during the current 9-month period were estimated at 426 million pounds compared with 95 million last year; and P.L. 480 shipments, at 532 million pounds compared with 568 million in the previous year.

Cottonseed oil exports dropped sharply in June to 12.3 million pounds from the exceptionally high level of 62.1 million pounds attained in May, but exceeded June 1969 exports by

U.S. EXPORTS OF SOYBEANS, OILS, AND MEALS

Item and country of destination	Unit	June		Sept.-June	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
SOYBEANS					
Belgium-Luxembourg ...	Mil. bu.	0.4	0.1	9.4	15.3
France	do.	.1	0	.3	3.4
Germany, West	do.	.4	5.8	29.0	35.6
Italy	do.	.4	.3	15.6	24.9
Netherlands	do.	4.0	2.7	37.1	51.5
Total EC	do.	5.3	8.9	91.4	130.7
Japan	do.	3.0	10.8	58.7	84.1
Canada	do.	2.0	10.8	33.0	56.8
Spain	do.	1.9	.7	27.3	31.6
China, Taiwan	do.	.6	2.1	15.5	18.6
Denmark	do.	0	2.1	11.8	16.2
United Kingdom	do.	.4	.2	4.3	7.4
Israel	do.	.8	1.1	5.4	8.3
Others	do.	0	1.2	9.0	20.7
Total	do.	14.0	37.9	256.4	374.4
Oil equivalent	Mil. lb.	153.9	416.6	2,815.3	4,111.3
Meal equivalent	1,000 tons	329.5	891.7	6,025.4	8,799.3
		June		Oct.-June	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
EDIBLE OILS					
Soybean: ²					
Pakistan	Mil. lb.	1.1	115.2	90.7	317.1
India	do.	44.1	12.1	226.5	133.4
Iran	do.	17.7	0	47.8	78.7
Tunisia	do.	9.5	7.4	45.9	71.3
Peru	do.	.1	12.2	9.4	37.1
Canada	do.	4.3	6.7	22.9	34.4
Chile	do.	11.2	11.0	28.5	26.7
Morocco	do.	.2	1.1	24.7	22.3
Israel	do.	10.4	1.3	26.1	19.7
Dominican Republic	do.	7.6	4.6	16.2	15.4
Haiti	do.	1.5	1.4	14.7	14.8
Colombia	do.	0	2.5	5.4	13.6
Mauritius	do.	0	.1	0	13.2
Mexico	do.	4.3	.4	.4	13.0
Others	do.	14.8	34.3	103.7	147.5
Total	do.	126.8	210.3	662.9	958.2
Cottonseed: ²					
Belgium-Luxembourg	do.	0	0	(³)	5.6
France	do.	0	0	(³)	(³)
Germany, West	do.	0	0	15.3	33.7
Italy	do.	0	(³)	(³)	(³)
Netherlands	do.	0	0	10.1	33.9
Total EC	do.	0	(³)	25.4	73.2
United Kingdom	do.	(³)	(³)	(³)	70.1
U.A.R.	do.	0	6.6	8.3	64.7
Venezuela	do.	1.7	.6	49.1	39.0
Iran	do.	(³)	0	(³)	37.7
Mexico	do.	0	1.6	(³)	33.4
Canada	do.	1.5	1.9	13.2	22.6
Pakistan	do.	0	0	0	17.8
Sweden	do.	1.6	0	5.9	11.9
Morocco	do.	0	0	0	7.7
Dominican Republic	do.	0	1.2	(³)	7.6
Poland	do.	0	0	0	7.5
Others	do.	.1	.4	2.5	14.1
Total	do.	4.9	12.3	104.4	407.3
Total oils	do.	131.8	222.6	767.3	1,365.5



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Item and country of destination	Unit	June		Oct.-June	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	11.5	19.6	144.2	154.1
France	do.	63.5	44.7	372.3	459.6
Germany, West	do.	100.3	62.3	523.9	711.1
Italy	do.	5.6	17.7	184.6	243.5
Netherlands	do.	63.3	68.0	404.9	477.2
Total EC	do.	244.2	212.3	1,629.9	2,045.5
Canada	do.	20.2	22.5	187.3	204.0
Yugoslavia	do.	0	23.9	99.4	138.6
Hungary	do.	15.0	16.2	15.0	125.3
Switzerland	do.	10.6	20.2	46.3	90.7
Poland	do.	10.9	0	75.5	84.6
Japan	do.	0	0	19.7	52.2
Philippines	do.	2.8	6.8	28.6	35.3
Spain	do.	21.8	0	53.4	34.1
United Kingdom	do.	13.6	2.9	32.9	32.3
Ireland	do.	5.0	0	26.9	30.8
Bulgaria	do.	0	0	9.6	30.4
Others	do.	14.8	19.8	122.7	152.7
Total	do.	358.9	324.6	2,347.2	3,056.5
Cottonseed	do.	6.3	(³)	8.5	5.4
Linseed	do.	16.9	0	57.4	54.3
Total cakes and meals ⁵	do.	383.5	328.2	2,458.4	3,151.4

¹ Preliminary. ² Includes shipments under P.L. 480 as reported by Census. ³ Less than 50,000 lb. ⁴ Less than 50 tons. ⁵ Includes peanut and other cakes and meals.

Computed from rounded numbers. Bureau of the Census.

7.4 million pounds. Cumulative exports through June totaled 407.3 million pounds, an increase of 282.9 million from last year. Sales by the Commodity Credit Corporation were largely responsible for the increase.

Exports of soybean meal, at 324,600 tons, maintained a high export level for the current marketing year, despite the decline of 10 percent compared with June exports a year ago. The October-June total reached 3.06 million tons—up 30 percent or 709,300 tons from last year's cumulative exports. Over 2.04 million tons were exported to the European Community, representing 70 percent of the total and an increase

of 25 percent over exports a year ago. Exports to West Germany alone increased by 187,200 tons. Larger quantities of soybean meal were also shipped to other European countries, Japan, and the Philippines.

Smaller Taiwan Pineapple Pack

Taiwan reports a smaller pineapple crop in 1970. Total fresh pineapple is reported down 12 percent during the first half of 1970. Canned production is currently forecast at 3.5 million cases (45 lb.), 21 percent below the record 1969 pack of 4.4 million cases.

Lower exports of canned pineapple are forecast during 1970. Total 1969 exports were a record 4.1 million cases, 8 percent above 1968. The United States is Taiwan's largest export market; its imports of Taiwan pineapple totaled almost 1.8 million cases during 1969. Other important markets are West Germany, Netherlands, and Belgium-Luxembourg.

EXPORTABLE PRODUCTION OF CANNED PINEAPPLE

Season	Pack
	1,000 cases ¹
1966	4,265
1967	3,576
1968	3,896
1969	4,434
1970 Forecast	3,500

¹ A case holds 45 lb.

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